



HB1109 - An Act to Address the Need for Additional Resources for the Development of Affordable Housing for Seniors

Sponsor: Representative Kevin Honan

What Does HB1109 Accomplish?

- H.1109 would create an earmark of either 10% or \$6 million, whichever is greater, per year for the development of affordable housing for seniors out of the Affordable Housing Trust Fund.

What is the Affordable Housing Trust Fund?

- The Trust Fund supports the creation or preservation of housing for persons with incomes up to 110% of area median income and can be used for ownership and rental programs and can provide a variety of types of assistance including low and no interest loans, grants, subsidies, and credit enhancements.
- It was last recapitalized in 2013 with \$305 million; Governor Baker authorized \$35 million in his Fiscal Year 2016 (FY16) capital budget for the program.

Why is this Legislation Needed?

- In recognition of the urgent need to develop more affordable housing for Boston's low-income seniors, Mayor Walsh set a goal of producing 1500 new units of low-income senior rental housing by 2030 in the City of Boston. In an effort to achieve this goal, Mayor Walsh dedicated \$1.75 million in his Fiscal Year 2016 budget for the development of low-income elderly housing. Boston, however, cannot alone address the large unmet need for elderly affordable housing without additional assistance from the state.
- In the past, Massachusetts was fortunate to receive significant federal funding from the U.S. Department of Housing and Urban Development under the Section 202 program to assist the development of new affordable housing for low-income seniors. Unfortunately, HUD and Congress have not provided funds for the Section 202 program since 2010. Therefore, states and municipalities must work together to fill the funding gap that exists for elderly housing.

Facts and Figures:

- Massachusetts has 46,390 elderly low-income renter households with a severe housing cost burden. These are households with incomes under 80% of the area median income who pay 50% or more of their household income for rent. 34,000 of these households have what HUD considers "worst case needs", that is, they have incomes under 30% of the area median income and pay half of that very small income for rent.
- In Boston alone there are 5,685 low-income elderly households with a severe rent burden, including 4,701 extremely low-income households with worst case housing needs.
- Demographic projections show a 53% increase in the number of senior-headed households between 2010 and 2030, as the largest portion of the Baby Boomer generation reaches retirement age.

For additional information or if you have any questions, please contact Kaitlin Passafaro at (617) 635-4616,

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